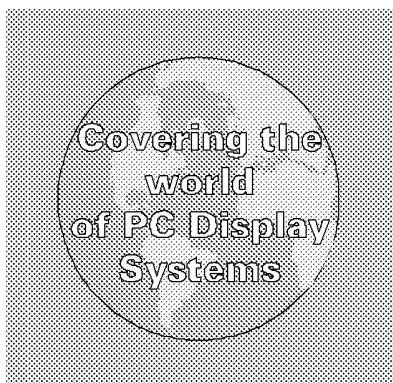


## **EXHIBIT 18**



# Display Monitor

Volume 8 No 31  
July 30th 2001

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## Display Monitor

ISSN 1356-109X  
is published 48 times a year and copyright

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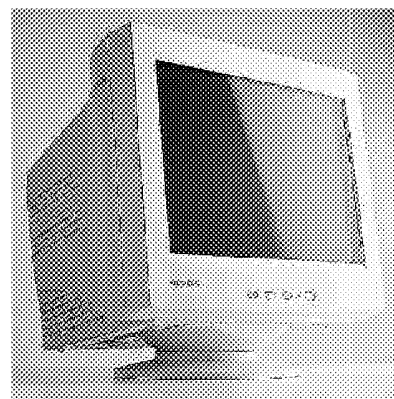
## Hitachi To Give Up CDT Business

Hitachi last week confirmed that it has decided to withdraw from the business of manufacturing CRTs for PC monitors. The company will halt production of monitor CRTs at its manufacturing bases in Japan, Singapore and Malaysia by the end of 2001 and is looking at what options are available for selling the business, including the technology and production facilities. The company also said that the slowdown of the PC market has reduced demand for CRTs for PC monitors, leading to a fall in prices. It anticipates that future demand will shift to LCD monitors and as such there are no prospects for growth of the monitor CRT market.

According to the company, its Display Group has been trying to improve the cost-competitiveness of its products by transferring production overseas and by concentrating on a line-up of higher value products such as short length tubes, flat faced products and larger format (19" and above) CRTs. Hitachi believes that it would not be able to radically improve profitability in the monitor CRT business.

The Display Group now intends to concen-

trate its resources on the development of flat panel displays. As well as TFT LCDs the company says it will promote low temperature poly-silicon (LTPS) LCDs. The company started production on a new line this month which uses what it claims to be the world's largest glass substrates, measuring 730mm by 920mm.



*Hitachi has decided to give up its CDT manufacturing business*

We recently reported that Hitachi intended to move its CDT production offshore (Display Monitor Vol. 7 No 26) but noted at the time that the company would have difficulty sustaining a profitable business making only 21" tubes in its Japanese facilities. The confirmation that the company intends to sell off the facilities will leave Sony and Mitsubishi as the only Japanese suppliers of flat faced CRTs. Hitachi told Display Monitor that it will continue to promote CRT-based displays after in-house CDT production ends. Because the facilities will not be sold off until the end of the year, Hitachi also said that the current product lines will continue as they are and can be "smoothly transitioned" in the future. A company spokesman confirmed that Hitachi is planning to launch a number of new LCD products in the coming months. No comment was offered by Hitachi in Japan regarding any staff reductions or financial charges that may be incurred in exiting the CDT business. Cornerstone, a long time OEM partner for Hitachi, was "not surprised" at the decision and a spokesman for the company's European operation explained that it had known for "some time" about the decision to quit the CDT business. The company is in the process of evaluating other suppliers of monitors but would not confirm which companies it is talking to. Another monitor vendor that uses Hitachi tubes is ViewSonic. Earlier this

Cont P22

**Texas Instruments'** board of directors has declared a quarterly cash dividend of 2.125 cents per share of common stock, payable August 20th. The dividend will be available to stockholders who had holdings in the company on July 31st, 2001.

**Maverick** is promoting Pioneer's PDP-502MXEV 50" plasma display (Display Monitor Vol. 7 No 27) at £4,495 (\$6,290). The UK distributor believes this is the most aggressive reseller price for a plasma display of that size.

**Sage**, which supplies digital display processors for PC monitors and consumer display products, says that it has been added to the Russell 2000 Index, with effect from July 1st 2001. The Index is a subset of the Russell 3000 Index which incorporates the 3,000 largest US stocks by market capitalisation as of May 31st 2001 and represents approximately 98% of the US equity market.

**InFocus** is responding to growth in the European projector market by expanding its channel coverage. The company has appointed Maverick and GB International to offer its InFocus and ASK brands respectively. The pair will line up alongside the company's other channel partners, Steljes, Sahara and Ingram Micro. GBI began stocking ASK projectors last month and Maverick will extend its catalogue this month with the InFocus models.

<http://www.infocus.com>

## REAR PANEL

**AMD** has won top honours in the CRN Channel Champions microprocessor competition. Computer system builders from throughout North America chose AMD over the competition in the microprocessor category.

**NEC-Mitsubishi** in the UK is offering its range of TFT LCD displays in a "limitless" range of cabinet colours. In partnership with Digital Odyssey, the company says it can offer customised colours and company logos on the range of products. Lead time for custom finishes is quoted as five to seven days.

Rumours on various news and investor websites put the **Dixons Group** as the front runner to buy Action plc. The UK-based reseller has posted notification that it has received an "approach which may or may not lead to an offer being made for the Group". Action's share price started to climb shortly before it made the official announcement. The last time the company was approached was in 2000 when it was strongly rumoured that Insight would buy it. The share price has gradually fallen from a high of nearly £1.40 (\$2) to a low point of around £0.30p (\$0.40) in late June this year. Action said it will release details "soon".

<http://www.action.co.uk>

## And Finally...

A UK company has arrived at a fishy way to brighten up the office. The people at [www.helpfirst.co.uk](http://www.helpfirst.co.uk) are promoting a specially designed office aquarium. The fish tank does not sit in reception offering visiting customers a relaxing view while waiting for meetings and appointments. Instead, this fish tank is placed in front of the computer monitors of workers and is claimed to achieve several "ergonomic" effects.

The web site claims:

- The water in the tank actually enlarges the screen's images, giving a better and clearer view without distortion.
- Helps to avoid eye strain by allowing users to change their focus when the fish swim past.
- When working hard in front of the computer screen it is very relaxing to see the fish swimming gracefully and peacefully (The site also claims it lowers blood pressure).
- Gives a point of interest in a sterile office environment.

However, Display Monitor can only see one reason why a user might want to place a fish tank in front of their monitor. The pets could be used to gauge the effects of emissions from the screen in much the same way as miners would carry birds in cages to check for poisonous gas. And we also note that water and electricity do not mix very well.

## Hitachi Cont From P1

year the company told us that it had Hitachi CRT-based products on its roadmap past the end of the year but senior product manager, Herb Berkwitz, told us: "The exit of Hitachi from the CRT wars has negligible effect on the ViewSonic CRT monitor roadmap. ViewSonic currently uses a minimum number of tubes from Hitachi having been forewarned of Hitachi's plans. Hitachi bet on short depth tubes when everyone else bet on flat CRT. Bad bet".

We got the distinct impression when we spoke to Hitachi's offices outside of Japan that the company has done a poor job of communicating the fact that the CDT business would be stopped. An industry source supported this view, suggesting that Hitachi's monitor group in the US were not aware of the situation until a press statement hit the newswires the day after Hitachi's board made the decision.

There is now going to be a gap in the high-end CRT market. Many users running document imaging processing or CAD applications do not like the visible damper wires on aperture grille tubes. At present,

high resolution (i.e. more than 1.9 megapixel) LCD panels are prohibitively expensive as compared to 21" or 22" CRT displays. Colour matching for pre-press work is not widely implemented on LCD monitors (only LaCie is offering a hardware calibration product at the moment). All these issues are addressed by FST shadow mask CRTs. Samsung has a 21" tube that would suit some of these application areas but the dot pitch is not as small as the best Hitachi tubes. Our feeling is that if another high-end tube maker snaps up the Hitachi plant and associated technol-

ogy, then there is still a small but potentially profitable market to win - provided that the technology is sold on its merits, not on price.

Hitachi is switching its focus to LCDs relatively late - market pricing for these products has been in steep decline for some time now and other panel manufacturers in Japan, with the exception of Sharp, have moved away from the desktop (15" class) LCD monitor market to pursue small format or high performance, high value segments. Replacing CRT business with LCD business will be tough.

Hitachi CDT Production Facilities

Location	CRT Quantity (fiscal 2000)	Employees	
Japan	1,300,000	770	Including employees of subsidiaries
Singapore	2,500,000	950	
Malaysia	1,200,000	1,670	Also makes electron guns (4m in fiscal 2000)
Total	5,000,000	3,390	